

Jared Louzon

From: Eric <Eric@interworks-usa.com>
Sent: Wednesday, December 21, 2016 3:04 PM
To: 'Chris Mitchell'
Subject: RE: Interworks & DG Conversation (Hoverboards + QVC)

Chris,

See my comments below in RED, I'll give you a call shortly, after you review my comments below.

Thanks!

Eric

From: Chris Mitchell [mailto:cmitchell@techpointproducts.com]
Sent: Wednesday, December 21, 2016 9:26 AM
To: Eric Lu <eric@interworks-usa.com>
Subject: RE: Interworks & DG Conversation (Hoverboards + QVC)

Eric,

Hope you had a safe trip back – here are some updates after speaking with Charlie again this morning:

Current Order:

1. QVC isn't going to be able to resolve the Lithium Battery issue until next month – earliest. This, as we mentioned, is a problem given us waiting for payment from QVC, etc. ←Lithium Battery issues only pertains to AIR shipping, not ground. The battery and A/C adapters are all UL2272 certified, so you need to find out what the issue is.

So, based on this, Charlie is a bit nervous to take inventory on the 6K offer you have. However, we could make something work if we structured something like the below:

- Take all 6K boards to our LA warehouse @ \$150 with 60-day terms ←I can't do \$150 as I will lose on shipping...I can do \$153 to match my other offer FOB City of Industry (Cash Deal). But it will not include the carrying bag. Since QVC we've include the carrying case you can either source 6K or you can get it from me at \$3.50...so total cost \$156.50. So I went down \$3.50 more from \$160. You have the cost from Janet, I can move the goods to you at breakeven but I cannot lose money. As for 60 days terms I can't do it at \$150, I can offer at \$165 with Net 60 days terms because I will need to finance through our factor. CHIC needs all the cash by end of next week.
- Receive exclusive agreement to supply Chic licensed boards to QVC for 2017 (through Mar 2018 to account for returns in Q1) ←yes we can put this agreement to you, but lets have our meeting at CES and discuss our partnership further.
- Release payment of 3,100 sold by YE (despite risk of QVC returning or canceling orders) ←3,100 x \$190 589,000.00 pay by tomorrow.
- Pay for remaining 1,700 boards in our warehouse by end of Jan.

If you agree to the above, we'll definitely keep working with QVC to get the High Roller brand up on QVC and will work to move the other 6K given the inventory position.

Let me know what you think.

Looking forward to coming together with Janet at CES on the plans for 2017!

Thank you!

Chris

From: Charlie Tebele

Sent: Tuesday, December 20, 2016 7:48 AM

To: Eric Lu <eric@interworks-usa.com>; Chris Mitchell <cmitchell@techpointproducts.com>

Subject: RE: Interworks & DG Conversation (Hoverboards + QVC)

Ok we are working on it

Who does the replenishment go to?

Is that qvc?

From: Eric Lu [<mailto:eric@interworks-usa.com>]

Sent: Tuesday, December 20, 2016 6:35 AM

To: Chris Mitchell <cmitchell@techpointproducts.com>

Cc: Charlie Tebele <CHARLIE@digitalgadgets.com>

Subject: Re: Interworks & DG Conversation (Hoverboards + QVC)

Hi Chris and Charlie,

Here's what I have now...

Blue:2246

Black :3288

Red: 1712

White: 1840

Roughly around: 9086 in total...

Please let me know ASAP if you can use them around 6k I can keep the rest for my replenishment...but if you can use more I'm okay too...

Thanks

Eric

On Dec 19, 2016, at 4:04 PM, Chris Mitchell <cmitchell@techpointproducts.com> wrote:

Hi Eric,

No problem, sent an updated invite to 8:30 am HK time.